

Business Plan 2008/09

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1 Introduction

- 1.1 It is a tragic reality that clinical and other procedures do not always go as planned. The Authority plays a vital role in seeking to reduce the risk of harm arising in the course of NHS activities in England and in achieving a resolution of claims in relation to alleged failures. The Authority provides indemnity arrangements for NHS bodies in England and as a prominent public body, seeks to be a role model in excellence and good practice.
- 1.2 The Authority's principal functions, as set out in our Framework Document from the Department of Health (DH), are:
 - 1.2.1 To administer schemes to allow NHS bodies to pool the costs of liabilities to patients, employees and the public.
 - 1.2.2 To contribute to improvements in patient safety through its risk management programme
 - 1.2.3 The robust defence of unmeritorious claims and the timely and equitable resolution of justified claims
 - 1.2.4 The provision of advice and support to NHS organisations in England on equal pay claims
 - 1.2.5 The provision of a Human Rights Act Information Service to the NHS in England
 - 1.2.6 To discharge the Secretary of State for Health's appellate role in relation to decisions of primary care trusts in England.
- 1.3 It is these functions which set our aims and objectives and strategic direction for 2008/09 and the three years to 31 March 2011.

2 Strategic aims for 2008/09 to 2010/11

- 2.1 In addressing and meeting the six principal functions for the coming three years, the Authority will focus on three key areas as its strategic aims:
 - 2.1.1 Contributing to the development of better risk management practices in the NHS in England to improve patient safety
 - 2.1.2 Managing effective and efficient risk pooling schemes and developing and improving the litigation function for NHS organisations in England
 - 2.1.3 Promoting effective stakeholder engagement
- 2.2 These strategic aims have led the Authority to develop its six key objectives for 2008/09, which are set out below.
- 2.3 Appendix C sets out our financial strategy for the three years and is based on the following assumptions:
 - 2.3.1 Global administrative efficiencies of at least 2% per annum are sought from non GIA funding to include expenditure on

legal costs. This is based on the expectation that the current trend for overall numbers of claims to reduce year on year will continue and will need to be reviewed if this trend is reversed.

- 2.3.2 The DH has provided special funding for the new work on Equal Pay, which is reflected at its current full year cost in each of the three years. It has been agreed with DH that regular reviews of funding will continue until such time as a more reasonable prediction about volumes can be made.
- 2.3.3 There are no financial values or assumptions included in plans for Redress since it is too early to make any meaningful assumptions about how the scheme may be developed and, particularly, claims volumes.
- 2.3.4 For all other areas of administrative budget the Authority has accepted the ALB Review guidance on inflationary pressure, i.e. that it will average 2.7% per annum through the three years of the plan. Clearly a higher level of actual inflation will present additional efficiency pressure for the Authority.
- 2.3.5 Appendix E is an organisational chart of the Authority reflecting staffing expectations for the period 2008/09 to 2010/11 excluding any developments within that period relating to new work streams agreed and funded by the DH.

3 Our Six Key Objectives for 2008/09

3.1 Business continuity and relocation

- 3.1.1 The Authority considers that it is essential for its continued cost effectiveness, business continuity and efficient operation in meeting its aims and objectives to maintain its principal place of business in London. The Board considers that relocation would cause unnecessary disruption to the activities of the organisation and prevent it from meeting its overall aims and objectives.
- 3.1.2 During 2008/09 the Authority will seek to resolve the situation in relation to the target to relocate 72 posts from an establishment of 220 out of London and the South East by 31 March 2010, following the Lyons and Gershon reports and the DH Arm's Length Bodies Review, because of the uncertainty this creates for employees and planning our future direction.
- 3.1.3 Our plans will address the need for this proposed relocation and the requirement for the Authority to have premises in

London in consultation with the Office for Government Commerce (OGC), which has the role of decision maker in this regard.

3.1.4 Plans will include demonstrating both financial and business cases to OGC. If we are successful in persuading OGC, DH has confirmed that it will be satisfied. Even then, we might be asked to move to either existing government premises in London, or to a more economical site. If we are unsuccessful in making the case for a London office, we will prepare action plans for implementation, which will include the workforce, equality and sustainable development impacts and apply formally for transitional funding to support those plans.

3.2 Fit for Purpose Review

3.2.1 2008/09 marks the 13th year since the creation of the Authority. It is recognised that the NHS, DH and indeed the legal environment have altered significantly in that time and as such a project team will be established to carry out a broad review of business systems and practices as well as commenting upon relevant legislative and other frameworks which direct the business practices of the Authority.

3.2.2 It is hoped that this review will enable the Authority to identify areas requiring adjustment and to then work with relevant stakeholders to ensure that revised frameworks assist in delivering systems and processes fit for purpose in the modern NHS.

3.2.3 A specific strand of this review will be to continue to monitor the effectiveness of our newly amended risk management standards and assessment process in contributing to improvements in patient, employee and public safety.

3.2.4 The review will also include discussions with the DH about producing a new Framework Document by 30 September 2008 and publishing a new version of the guidance leaflet on NHS indemnity by 31 December 2008.

3.3 Effective Stakeholder Engagement

3.3.1 The Authority has a large and diverse range of stakeholders. During 2008/09, the Authority will consider and seek to improve the effectiveness of its engagement with each group of stakeholders and as a whole. Within the NHS particular focus will be on relationships within primary care to enable us to respond appropriately in light of the ongoing changes in

this area of healthcare. The role and membership of the Authority's advisory groups, the Professional Advisory Panel and Policy Advisory Group, will be reviewed to ensure that these bodies remain relevant to and support the activities of the Authority in the modern NHS.

- 3.3.2 This work will include an assessment of what the Authority can do to support improvements in the handling of claims by NHS organisations.
- 3.3.3 Engagement with claimants outside of the claims management process presents real practical difficulties, but the Authority will seek ways to overcome these problems and also to engage more widely with patients and the public about its role and how it conducts business
- 3.3.4 The commitment, loyalty and skills of the Authority's staff and contractors are essential to the successful delivery of this Business Plan. New ways of engaging with these groups to ensure their continued support will be explored.

3.4 Financial Balance

- 3.4.1 The Authority will continue to work with the DH to ensure all financial targets are closely monitored, amended where agreed and subsequently met by year end.
- 3.4.2 The changing NHS environment and monitoring of financial positions means that new targets are often derived from policy change though essentially the current range of targets include:
 - Grant in Aid (GIA) targets for administration costs for DH funded projects
 - GIA Cash, near cash & resource limits for ELS/ Ex RHA Scheme and Equal Pay
 - An overall Resource Limit regarding the charges to the accounts of the Authority relating to its member funded schemes.
- 3.4.3 Where external pressures are identified they will be risk assessed, to including indicative costing, and discussed with DH colleagues at the earliest opportunity as many such pressures will impose financial implications on the Authority outside of its control (for example decisions of the judiciary) and thus adjustments to targets may be necessary.

3.5 New work

The Authority will seek to respond to new requirements from the DH in year, agreeing appropriate funding and other arrangements as necessary.

3.6 Patient safety

The Authority will seek means to promote learning from its experience of litigation that might help to reduce the number of incidents giving rise to claims against NHS organisations in England.

4 Supporting objectives

4.1 Communications

The Authority will undertake a review of how it communicates with internal and external stakeholders to support the main objective of stakeholder engagement. The agreement reached by the Department of Health (DH) with the Authority is that the Authority will self-regulate their national communications and publications to an NHS audience against up-to-date gateway criteria and will keep an audit trail of gateway decisions (i.e. the proportion requiring intervention before issue and the reasons for this) to inform balanced score card performance monitoring from April 2008. The purpose of applying gateway criteria is to ensure that the Department and its arm's length bodies promulgate consistent and deliverable policy, which does not impose excessive burdens on front-line services. As such the criteria cover, amongst other things, processes which ensure that policies and guidance are impact assessed (both for equality and economic cost impacts), affordable, outcome focussed, consistent with wider government policy (e.g. the current priorities and the performance frameworks), clear in terms of purpose, and that they are communicated in a targeted and succinct manner. The gateway forecast of NHS-wide communications is at appendix G.

4.2 Headcount

Maintain headcount at 176 wte or below, subject to new work related to redress, equal pay or other new projects where additional headcount is authorised by DH.

4.3 Grant In Aid (GIA) Funding

Maintain GIA funding related to administration of the Authority within the limits set in 2005/06. That is to maintain annual spend to a maximum of £3.041m to include relevant capital charges. The detailed plans of the Authority confirm this will be achieved again in

2008/09 and are attached at Appendix B. Appendix J lists the details of our capital programme for 2008/09.

4.4 Non-clinical claims panel of solicitors

The Authority will complete a retendering exercise for this panel during 2008/09.

4.5 Information Technology (IT) services

The Authority will continue to work towards meeting the benchmark costs for the provisions of ICT services, as set out in appendix H.

4.6 Finance functions

Review efficiency and effectiveness of finance functions in relation to possible savings by the use of NHS Shared Services.

4.7 Human Resources (HR) services

4.7.1 Maintain ratio of HR employees at below the expected 1:129 Saratoga average.

4.7.2 Identify means to maintain average costs of HR below ALB average of £745 per wte and work towards Saratoga benchmark of £420 per wte.

4.8 Equal pay

4.8.1 Increase sign-up rate by NHS organisations in England.

4.8.2 Work with NHS organisations and partner solicitors to move towards resolution of test issues.

4.8.3 Working arrangements between the Authority and the DH are covered in a detailed Service Level Agreement (SLA) between the parties.

4.9 Freedom of Information Act

Information on the Authority's activities, including claims and other data, available from its website will be expanded to make such information more widely available and assist in meeting our obligations under the Freedom of Information Act. Requests for information received under the Act will continue to be dealt with in accordance with statutory requirements.

4.10 Data Protection Act

In sharing data, as in all other aspects of its activities, the Authority will adhere to the principles of the Data Protection Act.

4.11 Inspection Concordat

The Authority will continue to be a proactive signatory to this agreement aimed at improving the effectiveness of inspection whilst reducing the burden on front line NHS staff.

4.12 Patient Safety Charter

Through its activities, and working with other signatories and organisations, the Authority will continue to contribute towards improving patient safety.

4.13 Human Rights Act Information Service

The Authority will continue to maintain this service in a cost effective and efficient manner, supported by external partners.

4.14 Other administrative efficiencies

Continue to plan for 2% year on year savings for the period to 31 March 2011 on non-GIA administrative funding.

4.15 Other Key Performance Indicators

The Authority has other Key Performance Indicators (KPIs) covering all areas of operations which are agreed with the DH and included in appendix A. Some of these in relation to claims are not published outside the Authority to protect the position of the Authority and the NHS in relation to the effective management of litigation.

5 Governance

5.1 Board

5.1.1 The Board of the Authority maintains appropriate governance systems and receives quarterly reports on key objectives and achievement against the balanced score card agreed with our DH sponsor.

5.1.2 Internal and external audit carry out reviews of systems and procedures, reporting to an audit committee chaired by a non-executive director.

5.1.3 The internal risk register and risk management strategy along with various committees of the Board are also used to support the governance infrastructure and provide an appropriate assurance framework for the management of strategic risks. This plan will form part of these arrangements, leading to the regular consideration and

review of risks, along with the development of appropriate strategies to control and minimise identified risks to the achievement of objectives.

5.2 Risk management

5.2.1 Risks register

Attached at appendix D is the Authority's strategic risk register, which is regularly reviewed by the Board and Risk Management Committee. This document is not published outside the Authority because it includes commercially sensitive information.

6 Contingency Planning

6.1 The Authority's Business Continuity Plan is included at appendix I.

7 Human Resources

7.1 HR Governance

7.1.1 The Authority, via the Board and other governance frameworks, will continue to monitor a variety of workforce indicators, including establishment levels, employee turnover, recruitment, sickness absence, levels of pay and equality and diversity statistics, to ensure the associated HR issues flowing from the business of the Authority are properly managed.

7.2 HR delivery plan

7.2.1 The Authority will continue to work with employees and their representatives on the development of consistent employment policy in line with good practice across the NHS and in achieving the best outcomes for employees in any possible future relocation proposals.

7.2.2 The Authority will continue to seek to maximise the benefits from the NHS Electronic Staff Record (ESR) HR and payroll system, after a review of a pilot self-service exercise.

7.2.3 Work in 2007 by the auditors to follow up the 2006 employee survey will be assessed in conjunction with employee representatives to address morale and other issues and maintain staff turnover at its current relatively low rates at a time of uncertainty about location. This will include the identification of a specific budget for staff benefits within the

overall cost of HR services. A further staff survey exercise is planned for 2008/09.

7.2.4 Sickness absence will continue to be closely managed, with the current target of 4% overall be reduced by 10% during 2008/09 to 3.6% by the 4th quarter.

7.2.5 Develop workforce plan for a possible flu pandemic.

7.3 Learning Plan

7.3.1 Leadership and management skills will remain a high priority in individual learning plans, following a major development programme in 2007/08. This will include exploration of the manager as coach model.

7.3.2 Monitoring the use of the NHS Knowledge and Skills Framework (KSF) using e-KSF will assist in meeting the objective of a full appraisal every 12 months and a personal development plan for each employee (other than those on long-term absence) and allow development to be more closely linked to the organisation's overall objectives.

7.3.3 The Authority will review the existing learning achievements of employees in line with the skills pledge made in 2007/08 and make more entry level qualifications available.

7.3.4 The Authority will work towards achieving the Investors in People standard in 2008/09.

8 Estate

8.1 The Authority will continue to review its estate in line with the plans for long-term location and increased efficiency to move towards the target for space per head of 10m² by the end of the ALB change programme.

9 Sustainable development

9.1 The Authority will work with managers, employees and other stakeholders to develop and embed the principles of sustainable development, as set out in the Good Corporate Citizen model, across all areas of its operation in line with its action plan (appendix F).

10 Equality and diversity

10.1 The Authority will review its Equality Scheme, first published in 2006/07 to ensure that equality issues continue to be fully embedded in all areas of its operations.

Appendices

- A Key Performance Indicators
- B 2008/09 Indicative Budget
- C Financial Plan 2008/09 – 2010/11
- D Risk Register
- E Organisation Chart
- F Good Corporate Citizen Action Plan
- G Gateway forecast
- H ICT cost benchmarking
- I Business Continuity Plan
- J Capital Programme

The average cost per annum of claims handling in respect of NHSLA work overall –
i.e. administration costs for the Authority re claims

Scheme	2008/09 (Target)
CNST	£475
ELS	£330
Ex-RHA	£1,050

(iv) The take up of CNST membership

Target indicator: 100%

Performance in 2007-08: 100% membership

FHSAU Targets

Appeals Unit Key Performance Indicators (time taken in weeks):

Indicator	Target
GPR Salaries (non-reps) and summary dismissals	4 weeks
Other Determinations on Paper	15 weeks
Determinations following a hearing or other external advice	26 weeks

N.B. – Restriction Request Checks by PCTs remain at 2004/05 projections of 12,000, with a turn-around of one week.

FHSAA Key Performance Indicators (time taken in weeks):

- SHA to arrange OH (first day) within 16 weeks
- FHSAA to determine cases within 26 weeks or as satisfied by the President.

**National Health Service Litigation Authority
2008/2009 Business Plan**

Summary – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
ELS	(151,000)	0	0
Ex RHA	(3,775)	0	0
DOH Administration	(4,037)		
Scheme Administration	(11,938)	(11,938)	0
SUB TOTAL - DOH FUNDED SCHEMES	(170,750)	(11,938)	0
CNST	(389,500)	(389,500)	0
LTPS	(27,700)	(27,700)	0
PES	(2,400)	(2,400)	0
SUB TOTAL - MEMBER FUNDED SCHEMES	(419,600)	(419,600)	0
TOTAL INCOME	(590,350)	(431,538)	0

EXPENDITURE			
ELS	39,126	141,475	(102,349)
Ex RHA	838	3,537	(2,699)
Administration	15,975	15,975	0
SUB TOTAL - DOH FUNDED SCHEMES	55,939	160,987	(105,048)

Appendix: B

CNST	1,660,633	430,984	1,229,649
LTPS	42,991	24,992	17,999
PES	3,000	2,000	1,000
SUB TOTAL - MEMBER FUNDED SCHEMES	1,706,624	457,976	1,248,648
TOTAL EXPENDITURE	1,762,563	618,963	1,143,600
NET	1,172,213	187,425	1,143,600
OPERATING COST ADJUSTMENTS			
Administration	(376,282)	0	(380,319)
ELS	151,000	0	0
Ex RHA	3,775	0	0
TOTAL ADJUSTMENTS	(221,507)	0	(380,319)
OPERATING COST CHARGE	950,706	187,425	763,281

**National Health Service Litigation Authority
2008/2009 Business Plan**

Administration - Income & Expenditure

	Plan 2008/09 (Resource) £'000	2008/09 Near Cash Charge £'000	2008/09 Non Cash £'000
INCOME			
Department of Health Funding	(4,037)		
Admin Charge to CNST	(7,613)	(7,613)	
Admin Charge to LTPS	(4,112)	(4,112)	
Admin Charge to PES	(213)	(213)	
TOTAL INCOME	(15,975)	(11,938)	0
PAY EXPENDITURE			
Executive	1,001	1,001	
HRAIS	-	-	
Risk Management	228	228	
Finance	382	382	
IT & Facilities	394	394	
TCU	482	482	
ELS	443	443	
CNST	2,739	2,739	
Risk Pooling	1,597	1,597	
FHSAA	441	441	
Human Resources	82	82	
Equal Pay		-	
Contingency	982	982	
TOTAL PAY EXPENDITURE	8,773	8,773	0

NON PAY EXPENDITURE			
Accommodation Costs	317	317	
Travelling/Subsistence Expenses	135	135	
Professional Subscriptions/Education	12	12	
External Conferences	5	5	
Professional Advice/Legal Services/Advert	280	280	
FHSAA Hearings Expenses	284	284	
Audit Fees	129	129	
Payroll Services	5	5	
Risk Mgt Contract	2,010	2,010	
Actuaries	222	222	
Bank Charges	15	15	
IT	450	450	
Facilities Expenses	1,258	1,258	
Other/Misc	1	1	
HR Services	15	15	
Controls Assurance / H&S	-	-	
Equal Pay Scheme	1,362	1,362	
Contingency	716	716	
TOTAL NON PAY EXPENDITURE	7,202	7,202	0
NET	(0)	4,037	0

OPERATING COST ADJUSTMENTS			
Non Cash Charges			
Cost of Capital	(380,823)		(380,823)
Depreciation	504		504
DOH Funding			
Administration	4,037		
TOTAL ADJUSTMENTS	(376,282)	0	(380,319)
OPERATING COST CHARGE	(376,282)	4,037	(380,319)

**National Health Service Litigation Authority
2008/2009 Business Plan**

ELS – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
Department of Health Funding	(151,000)		
TOTAL INCOME	(151,000)	0	0
EXPENDITURE			
Damages	106,194	106,194	
Structured Settlement Payments	14,535	14,535	
Defence Costs	9,600	9,600	
Claimant Costs	11,145	11,145	
Provisions Charged In Year	(102,349)		(102,349)
TOTAL EXPENDITURE	39,126	141,475	(102,349)
NET	(111,874)	141,475	(102,349)
OPERATING COST ADJUSTMENTS			
DOH Funding			
ELS	151,000		
TOTAL ADJUSTMENTS	151,000	0	0
OPERATING COST CHARGE	39,126	141,475	(102,349)

**National Health Service Litigation Authority
2008/2009 Business Plan**

Ex RHA – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
Department of Health Funding	(3,775)		
TOTAL INCOME	(3,775)	0	0
EXPENDITURE			
Damages	2,616	2,616	
Structured Settlements Payments	338	338	
Defence Costs	203	203	
Claimant Costs	380	380	
Provisions Charged In Year	(2,699)		(2,699)
TOTAL EXPENDITURE	838	3,537	(2,699)
NET	(2,937)	3,537	(2,699)
OPERATING COST ADJUSTMENTS			
DOH Funding			
Administration	3,775		
TOTAL ADJUSTMENTS	3,775	0	0
OPERATING COST CHARGE	838	3,537	(2,699)

**National Health Service Litigation Authority
2008/2009 Business Plan**

CNST – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
Scheme Contributions - Net Income	(397,113)	(397,113)	
Admin Charges	7,613	7,613	
TOTAL INCOME	(389,500)	(389,500)	0
EXPENDITURE			
Damages	311,029	311,029	
Structured Settlements Payments	9,000	9,000	
Defence Costs	39,101	39,101	
Claimant Costs	71,854	71,854	
Provisions Charged In Year	1,229,649		1,229,649
TOTAL EXPENDITURE	1,660,633	430,984	1,229,649
NET	1,271,133	41,484	1,229,649

**National Health Service Litigation Authority
2008/2009 Business Plan**

LTPS – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
Scheme Contributions - Net Income	(31,812)	(31,812)	
Admin Charges	4,112	4,112	
TOTAL INCOME	(27,700)	(27,700)	0
EXPENDITURE			
Damages	9,565	9,565	
Defence Costs	7,158	7,158	
Claimant Costs	8,269	8,269	
Provisions Charged In Year	17,999		17,999
TOTAL EXPENDITURE	42,991	24,992	17,999
NET	15,291	(2,708)	17,999

**National Health Service Litigation Authority
2008/2009 Business Plan**

PES – Income & Expenditure

	Plan 2008/09 (Resource)	2008/09 Near Cash Charge	2008/09 Non Cash (Gross New Provisions) charge
	£'000	£'000	£'000
INCOME			
Scheme Contributions - Net Income	(2,613)	(2,613)	
Admin Charges	213	213	
TOTAL INCOME	(2,400)	(2,400)	0
EXPENDITURE			
Damages	1,854	1,854	
Defence Costs	146	146	
Claimant Costs			
Provisions Charged In Year	1,000		1,000
TOTAL EXPENDITURE	3,000	2,000	1,000
NET	600	(400)	1,000

ALB - INDICATIVE FUNDING 2008/09 TO 2010/11

CELLS IN YELLOW REQUIRE COMPLETION BY ALB

	REVENUE FUNDING	Indicative 2008/09		Indicative 2009/10	Indicative 2010/11
		Resource	Cash Limit	Resource	Resource
		£000	£000	£000	£000
	Near Cash				
1	Baseline Allocation (net of payment of provisions)	2,537	2,537	2,537	2,537
	NHSLA Admin Payments	13,438	13,438	13,438	13,438
2	Payment of Provisions	602,988	602,988	659,150	651,875
	Less Contributions	(431,538)	(431,538)	(512,238)	(516,238)
3	Total Near Cash	187,425	187,425	162,887	151,612
	Non Cash				
4	Depreciation and Cost of Capital	(380,319)		(381,710)	(385,531)
5	New Provisions (including reversed unused, IBNRs arising in year and unwinding of discount)	1,746,588		1,842,488	1,944,388
6	Other (Impairments etc)				
7	Less Payment of Provisions	(602,988)		(659,150)	(651,875)
8	Total Non Cash	763,281		801,628	906,982
9	Total DH Revenue/Grant in Aid Funding	950,706		964,515	1,058,594
10	Transitional Cost Requirements	101	101	4,210	1

SECTION 2

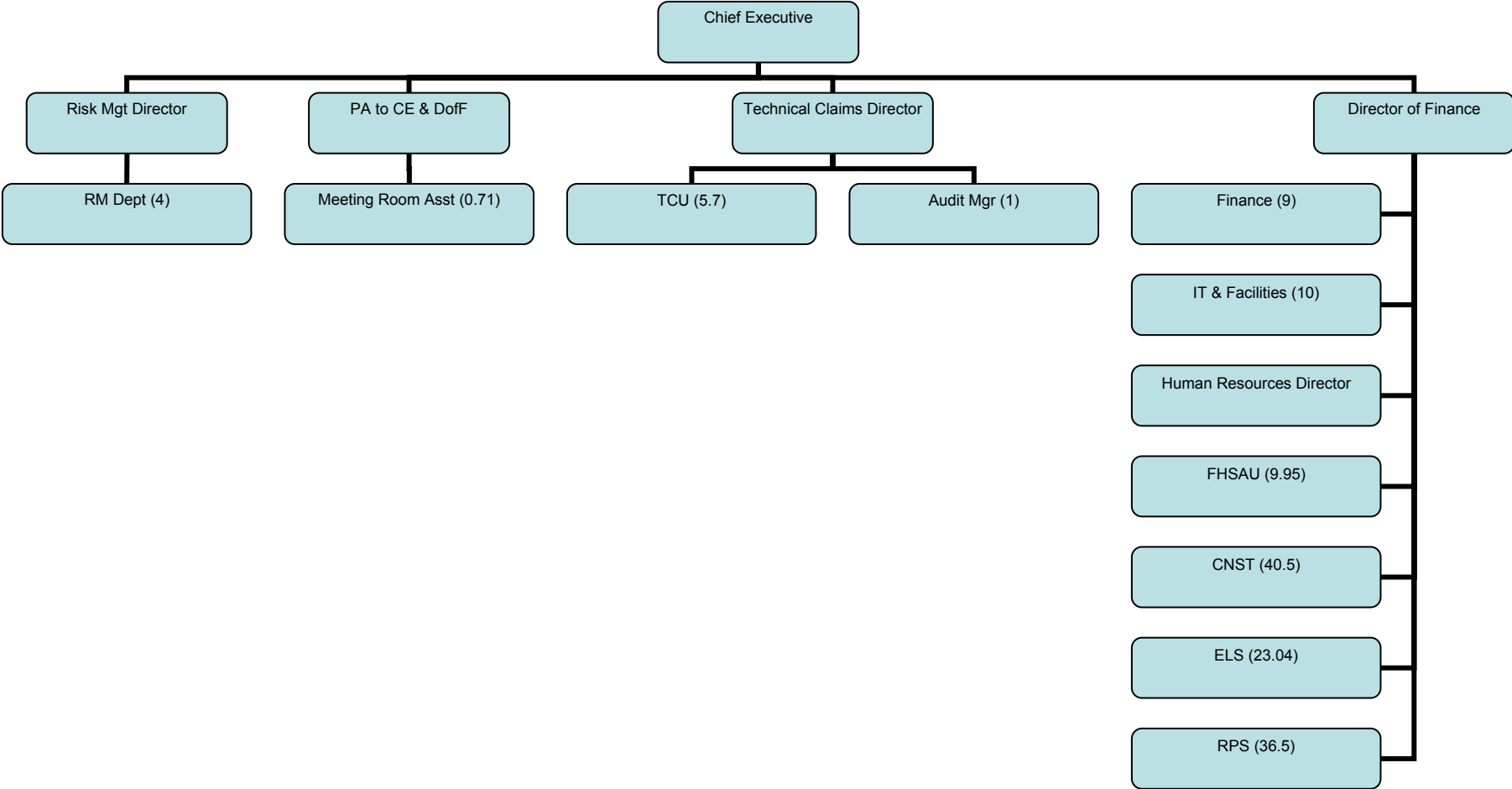
	CAPITAL FUNDING	Indicative 2008/09		Indicative 2009/10	Indicative 2010/11
		£000	£000	£000	£000
		11	Baseline Allocation	280	280
12	Total Capital Grant in Aid and Cash	280	280	280	280

SECTION 3

	SAVINGS (Cumulative)	Savings	Savings	Savings
		£000	£000	£000
		13	Cash Releasing Savings Target	0
14	Productivity Savings	246	0	0
15	Total Savings Targets	246	0	0
	Headcount Savings	wte posts	wte posts	wte posts
16	Headcount Savings Targets at 31 March	176	176	176

Notes

- 1 Near Cash Baseline Allocation:** This funding only covers DH Grant-in-Aid provided by the ALB BSU.
- 2 Payment of Provisions:** The Treasury currently measures the DHs Near Cash target and the payment of provisions is a part of this target. The figure shown here should include any payment of provisions due in 2008-09, this includes any cash payments and accruals for payments that were due to be paid within 2008-09.
- 3 Total Near Cash:** This is the total Near Cash resource and cash limit for 2008/09.
- 5 New Provisions:** The figures here are any new provisions which have arisen in the current financial year and should include any reversed unused provisions and unwinding of discount.
- 6 Other (Impairments etc):** This covers profit/loss on disposal of fixed assets, impairments, write off of stocks and bad debts.
- 7 Less Payment of Provisions:** HM Treasury rules state that the payment of provisions reduces the non cash limit as new provisions are charged to non cash when they arise. When the provisions are paid they are then charged against near cash which in turn reduces the non cash.
- 8 Non Cash:** This is the total Non Cash limit for 2008-09.
- 9 Total DH Revenue/Grant in Aid Funding:** This is the total resource provided by the DH against which savings will be targeted.
- 10 Transition Cost Requirements:** Total transition cost requirements (including capital and revenue).
- 13 Cash Releasing Savings Targets:** Total cumulative Cash Savings made against 2005/06 funding levels.
- 14 Productivity Savings:** These savings are defined in the attached letter.
- 16 Headcount:** These are headcount targets to support the ALB Review headcount target.



Total in Post = 146.4 (5 Non Executives not included above)

COMMUNICATIONS FORECAST - [NHS Litigation Authority]

Publication/communication	Anticipated launch	Description	Format	Overview of financial issues
2008-2009 Risk Management Standards	Apr-08	Updated version of NHSLA Risk Management Standards	Electronic, e-mail & web	Nil
Pilot CNST Maternity Standards	Jun-08	Revised version of existing standards	Electronic, e-mail & web	Nil
Risk management programme update	Jan-09	Explanation of programme for 2009/2010	Electronic, e-mail & web	Nil
Newsletter to trusts	Apr-08	NHSLA updates & key information	Electronic, e-mail & web	Nil
CNST contributions letter	Nov/Dec-2008	Annual contribution notification to Scheme Members	Hard copy	Nil
RPST& PES contributions letter	Nov/Dec-2008	Annual contribution notification to Scheme Members	Hard copy	Nil
HRAIS updates	Jan-08	Quarterly update to NHS bodies	Electronic, e-mail & web	Nil

Arms Length Body ICT Cost Benchmarking

Organisation name	NHS Litigation Authority
Name	
Job Title	Head of IT & Facilities
Contact Phone	
Email	

Optional Comments

All financial values are £'000

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	Comments
ICT Revenue Budget	420	649	650	547	632	647	

Breakdown

ICT Contracts with Suppliers	261	417	495	337	450	450	
In House ICT Service	159	232	155	210	182	197	
Income from direct ICT Services Provided	0	0	0	0	0	0	
Breakdown = Revenue Budget	OK	OK	OK	OK	OK	OK	

ICT Capital Charges (Depreciation and Financing)	377	388	415	401	504	504	
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All capital assets are shown against IT but the vast majority do not relate to the IT department and nor therefore should the charges. This form will therefore require review.

Total Revenue Costs	797	1037	1065	948	1136	1151	
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Capital Spend

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget
ICT Capital Spend	1,057	280	182	238	280	280

This is the capital spend for the whole NHSLA & not simply IT

ICT Staff

Total Staff (including contractors)

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	2008/09 Budget
Total Staff (including contractors)	10	12	9.5	7	5	5

Comments

Breakdown

Directly Employed ICT Staff

Directly Employed ICT Staff	8	6	5	4	4	5
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Contract Staff

Contract Staff	2	6	4.5	4	3	0
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Contract staff as % of total staff

Contract staff as % of total staff	20%	50%	47%	57%	60%	0%
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Number of users supported

Corporate ICT Users

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Estimate	2007/08 Estimate	2008/09 Estimate
Corporate ICT Users	187	168	168	150	156	156

Comments

External Customers

External Customers	0	0	0	0		0
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Total Users

Total Users	187	168	168	150	160	156
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Cost Per Corporate ICT User

Cost Per Corporate ICT User	4.262032	6.17261905	6.336667	6.319148	7.281115	7.377269
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Organisation Budget

Organisation Budget

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Estimate	2007/08 Estimate	2008/09 Estimate
Organisation Budget	11,587	12,629	13,445	14,212	15,975	15,975

Comments

ICT Budget as a % of Organisation Budget

ICT Budget as a % of Organisation Budget	7%	8%	8%	7%	7%	7%
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Prime Value Indicators

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Estimate	2007/08 Estimate	2008/09 Estimate
ICT Cost Per Corporate User Less than £5k	Met	Not Met	Not Met	Not Met	Not Met	Not Met
ICT Cost less than 5% of Organisation Budget	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met

Comments

If above issues re IT Revenue & Capital Charges are resolved then prime value indicators all met. Budget allocations will be reviewed in 2008/09.

ICT Savings for ALB Review

	2003/04 Actual	2004/05 Baseline	2005/06 Estimate	2006/07 Estimate	2007/08 Estimate	2008/09 Estimate
Cost of ICT Services	420	649	650	547	632	647
Year on Year Saving Percentage		-55%	0%	16%	-16%	-2%
Total Saving Percentage		-55%	-55%	-30%	-50%	-54%
Total Saving Value		-229	-230	-127	-212	-227

Comments

ICT Contracts with suppliers

A. Recurring revenue spend items		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
		Actual	Actual	Actual	Actual	Budget	Budget
Category	Supplier	£' 000	£' 000	£' 000	£' 000	£' 000	£'000
Computer maintenance	London Computer centre			159	15	86	86
Software licences and support	Iron Mountain			7	2	7	7
	Mail & Websweeper					3	3
	Dorset Software			187	181	187	187
Offsite links (e.g WAN)	BT			30		30	30
	Netscalibur			23	23	23	23
Managed services - infrastructure							
Networks and Telephony	Vodafone			6			
	BT/TIM						
	Landlines						
Staff employed as IT contractors							
Other - describe	Telephone Hardware			1	1		
<u>Miscellaneous funded from revenue</u>							
New IT hardware				24	10	12	12
New software				42	90	90	90
Computer consumables				14	13	9	10
Misc small IT items				3	2	3	2
Total Revenue spend on suppliers				495	337	450	450

← *Indicative estimates* →

BUSINESS CONTINUITY PLAN

NO.FA02

Applies to:	ALL STAFF
Date of Management Approval:	
Signed by Chief Executive:	
Review Date:	

BUSINESS CONTINUITY PLANS

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1. Introduction

This document is the Business Continuity Plan, (BCP) for the NHS Litigation Authority and covers its premises at Napier House, Holborn and Victoria Avenue, Harrogate. It details key staff members and contractors essential to the business continuity of the Authority recovery actions and provides a framework from which the Authority can operate in the event of an incident.

The NHS Litigation Authority is a Special Health Authority that provides services to other NHS bodies but no direct services to the public. These services are limited to claims management and related financial transactions, Human Rights Act advice and Risk Management. The NHSLA has two offices, Napier House in London, (Main office) and 30 Victoria Avenue, Harrogate, North Yorkshire, HG1 5PR, (Tel: 01423 530 280). A number of Authority employees work from home on a full time basis.

Given the closure of the Authority's Croydon Office in September 2006, all backup systems in relation to the Authority's Ledger system accounts, Intranet, Extranet Public Website and Human Rights Act database, have been moved to the Authority's Harrogate office, as well as the offices of the Authority's main systems support contractor, Dorset Software, based at Corbiere House, New Quay Road, Poole Dorset BH15 4AF (Tel: 01202 774016). The Authority's main and "Mission Critical" system, (CMS) is replicated to Dorset on a real time basis via a fixed ISP to ISP VPN link between the two offices. Offsite backup Servers for these systems are therefore kept up to date on a "Real Time" basis. This includes the Authority's Document Management solution.

In line with its current sustainable development initiatives, the Authority's ultimate aim is to move to a position whereby paper records, claim files etc, are stored electronically. This will significantly reduce any risk to the Authority's data given the aforementioned configuration.

2. Purpose

It is impossible to determine in advance exactly how an emergency will occur but it is highly probable that during the life of the NHSLA, failures or malfunctions may take place. In addition to this, there could be more serious disruptions. The first priority of the Authority is the safety of human life and all staff must familiarise themselves with the following procedures which are available on the Authority's Intranet:

- Policy for the Management of Fire and Emergency Safety – RM03
- Near miss and Incident procedures – Version 9

Lessons learned from reported incidents should be fed back via Line Management to improve the relevant disaster recovery measure. Under no circumstances should any person undertake risks that would result in danger to themselves or others.

This document aims to focus on the severity of the incident and the systems that must be in place in order for the NHSLA to function immediately after the occurrence of one or more of these, and the actions to ensure that:

- All staff evacuate the building appropriately if the disaster occurs during working hours
- The NHSLA is able to function in the short-term after the disaster
- Communication is maintained during the disaster.

For the benefit of the Authority's IT and Facilities support staff, the technical implications and procedures to be effected in the event of any disaster scenario are dealt with in the **NHSLA Server Contingency Procedures Document**, which is available on the Authority's Intranet. In addition to this, further detailed advice is available to all NHSLA managers via the **Contingency Advice for Managers Document**. It is recommended that all managers familiarise themselves with this document.

In any disaster scenario the following Emergency / Utility service telephone numbers may be needed. These are*:

- Police — 999
- Fire Brigade – 999
- Ambulance Service - 999
- British Gas – 0800 111 999
- Water Board – 0845 920 0800
- London Electricity – 08456000102

* The prefix "9 " should be used for all calls made from an Authority landline

3. Responsibilities

All staff have a responsibility to familiarise themselves with the **Policy for the Management of Fire and Emergency Safety, (RM03)** on the Authority's Intranet

All key staff have access to an Authority supplied mobile phone and must ensure that they include the telephone numbers of all Authority supplied mobile handsets in their address books.

Key staff members, where actions/responsibilities have been highlighted **must** ensure that their area(s) of responsibility is kept fully updated including their own contact details. Each key staff member has direct responsibility for ensuring the dissemination of information to their staff, as well as advising of any changes relating to their area of responsibility.

The collective name of the key staff members is the "Disaster Recovery Panel", (DRP)" Responsibility for the coordination and planning of meetings, actions, etc, lies with the Authority's Director of Finance.

The DRP consists of the following staff members:

Key Contact	Post Holder	Telephone No	Alternative
Chief Executive	Steve Walker	0207430 8701	07770802424
Head of IT & Facilities	Sean Walker	0207 430 8809	07900278245
Risk Management Director	Alison Bartholomew	0207 430 8823	07917460260
Financial Controller	Debbie England	0207 430 8783	07917460257
IT & Facilities Manager	Terry Weekes	0207 430 8756	07917460263
Office services Manager -Harrogate	Jonathan Haley	01423 535 415	
HR Director	David Bell	0207 430 8753	07825171198
Director of Finance	Tom Fothergill	0207 430 8706	07961122040
Facilities Officer	Deo Pentayya	0207 430 8802	TBA

4. When to invoke the Policy

In consultation with the Head of IT & Facilities, IT & Facilities Operations Manager and/or Facilities officer, the plan will be invoked on the authority of the Chief Executive or Director of Finance. In the event of a significant incident that is expected to cause a prolonged denial of access to Napier House or 30 Victoria

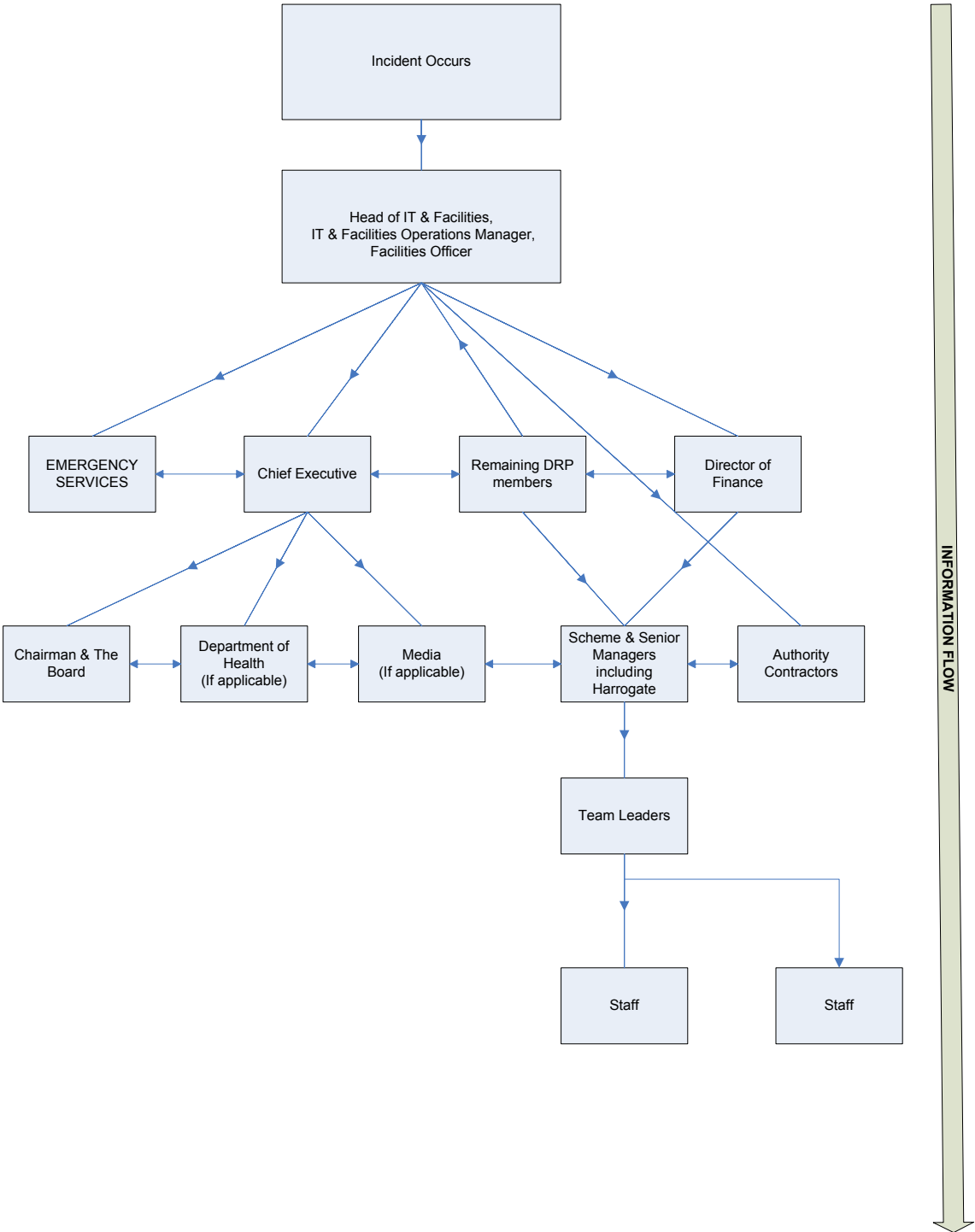
Avenue or severe and prolonged disruption to transport services. It is not possible to specify what such an incident might look like, however it could be a major fire, terrorist incident, extensive loss of power services or an emerging major health issue, for example a pandemic such as bird flu. It will be the responsibility of the Chief Executive or Director of Finance to determine in the first instance whether a situation arises that would merit invocation of this plan.

5. General Responsibilities

- On invocation of the Authority's Business Continuity Plan, the DRP will be responsible for the co-ordination of NHSLA business.
- In the event of an incident during office hours, members of staff should remain at their desks, (provided there has been no other instruction to evacuate), until directed otherwise by their management. Staff must follow instructions cascaded to them by the DRP or by their line manager. When at home, staff should check the NHSLA Website (<http://www.nhsla.com>) for information updates.
- Scheme Managers should maintain up-to-date contact details of all their Managers/Team leaders.
- No staff member should speak to the media. The Chief Executive or Director of Finance will establish a central point of media co-ordination as part of the recovery process. All media enquiries should be initially notified to the PA to the Chief Executive.
- The Chief Executive should update the Chair, Non executives and Department of Health of the current position.

6. Information Cascade

In the event of an incident, the following process for cascading information should be adopted:



7. Recover Strategy

The recovery strategy for the DRP is as follows:

- Day 1 - Decide whether to send staff home / remain at home, depending on circumstances and official advice.
- Up to day 3 - Staff remain at home or as directed. DRP will meet, prioritise recovery activities and disseminate information to relevant parties, (Including DOH so that they are aware of the potential requirement for office space).
- 4 days to 2 weeks - Selected staff work from alternative office location; others work from home, if/where possible.
- Beyond 2 weeks - To be determined depending on circumstances. The Director of Finance/Chief Executive to make representation to DOH for temporary office accommodation

8. Actions for Incident Outside Office Hours

	Action	Responsibility
1.	Notification of incident received. Verify details of incident, and whether it may require further consideration.	Head of IT & Facilities, Facilities Officer or IT/Facilities Ops Manager
2.	Check with emergency services to establish whether cordons are necessary/have been put in place to prevent staff coming into danger zone	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager
3.	Notify Director of Finance and Chief Executive of incident	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager
4.	Convene a meeting with other DRP members and decide whether to invoke Plan/Cascade of information to staff	Director of Finance/Chief Executive
5.	Instigate Information Cascade and advise Chair , DOH	Director of Finance/Chief Executive
6.	Arrange next DRP meeting. Decide on attendance and venue.	Director of Finance/Chief Executive
7.	Ensure ongoing security of site	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager
8.	Keep the NHSLA Website up to date with events	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager

9. Actions – for Incident during Office Hours

	Action	Responsibility
1.	If instructed to do so or Fire alarm is sounding, evacuate the building in accordance with Evacuation Procedures, (RM03) and Proceed to the assembly point.	All Staff
2.	Based on Information given by Emergency services, Head of IT, Facilities Officer etc, decide whether to invoke Plan.	Director of Finance/Chief Executive
3.	If decision taken to send staff home Confirm contact details of key staff members managers etc.	All Managers
4.	Instigate Information Cascade and advise Chair , DOH	Director of Finance/Chief Executive
6.	Arrange next DRP meeting. Decide on attendance and venue.	Director of Finance/Chief Executive
7.	Ensure ongoing security of site	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager
8.	Keep the NHSLA Website up to date with events	Head of IT/Facilities, Facilities Officer or IT/Facilities Ops Manager

10. Actions – DRP Meeting (if Business Continuity Plan invoked)

	Action
1.	Determine a minute taker and start a log of events.
2.	Confirm attendance and chairperson.
3.	Ensure copies of the Business Continuity Plan are available.
4.	Establish detail of incident and assess impact. Complete incident report*: <ul style="list-style-type: none"> ◆ Description (location & time) ◆ Impact ◆ Any injuries ◆ Action taken – notifications, initial invocation ◆ Estimate of time to recover <p>* Incident Report form obtained from Near Miss and Incident procedure</p>

	Action
5.	Confirm names and details of any NHSLA staff injured in the incident.
6.	Confirm communications links (pagers, mobiles, web-site etc.) with all key personnel.
7.	Obtain reports/views from all DRP members (Identify key issues and priorities).
8.	Set-up critical communication links if possible.
9.	Confirm responsibilities of individual teams.
10.	Gather work in progress report from the affected section leaders and establish priorities for action.
11.	<p>Develop a Status Report. Status Report should include detail of Incident Report and refer to following as necessary;</p> <ul style="list-style-type: none"> ◆ HR issues (any injuries, staff availability etc) ◆ Assessment of exposure ◆ Maintenance of business where possible ◆ Security of incident site ◆ Cost of recovery ◆ Long term strategy implications (if any) ◆ Legal implications for business, claims & litigation ◆ Time of press conference (if required) ◆ Composition of any subsequent inquiry team
12.	Pass on any media enquiries to the PA to the Chief Executive.
13.	Log any expenditure with one designated person.
14.	Identify any deadlines that may be imminent.
15.	Determine and action any immediate decision required.
16.	Communicate decisions to all staff, (Via Website if necessary and in observance of confidentiality).

11. Main Contractors

The following contractors may be critical to the implementation of any the disaster recovery and business continuity measures and should be contacted as necessary.

Name	Service	Contact	Email Address	Telephone No	Alternative
Dorset Software	CMS/Intranet/DR Servers	Ben Collier	Ben.collier@Dorsetsoftware.com	01202777707	
IDN, (Independent Digital Network)	Holborn Landline telephone redirection	N/A	N/A	08081789900	
Hayes DX	DX redirection	N/A	N/A		
Glen Payroll Services Ltd	Payroll	Andy Mailer	glenpay@remotemail.quad.co.uk	01142473385	
Director of HR		David Bell	David.Bell5@nhs.net		
London Computer Centre	Assist in Data/system restore	Shana Miah	shana@londoncc.co.uk	020 77800100	07886023209
Kentex	Holborn building services	Brian Duggan	N/A	01483 712 669	07903732201
E-Courier	Courier Services	N/A	N/A	0207 877 6540	

12. Return to Normal

The activities and the timetable for return to normal would depend on the scope and severity of the incident as well as the facilities available at the time of any return to normal. As these are largely unknown and unpredictable, the detailed activities and timetable would be discussed following the successful recovery from the incident.

13. REPORTING

All emergency evacuations and incidents will be reported by the Facilities Officer to the Risk Management Team following RM05–Near Miss and Incident Reporting Policy.

14. RELATED POLICIES

- RM03 - Policy for the Management of Fire and Emergency Safety
- RM05 - Near Miss and Incident Reporting Policy
- RM16 - Policy and Procedure for Specific and Generic Risk Assessments
- IT02 - Information Security and Data Storage Policy
 - NHSLA Server Contingency Procedures Document
 - Contingency Advice for Managers

Capital Programme (2008/9)

The following projects are planned for delivery during the 2008/09 financial year.

Facilities Maintenance & Development

Updating and repairing the main chiller units for the London office to ensure appropriate temperature maintenance and also bring units into line with current legal position re use of gas controlled units.

IT Infrastructure Development

During the year there are several key IT related projects which will be completed.

A project to link facilities management of assets with the financial systems thus preventing unnecessary 'reconciliation' between systems.

Website development project to improve feel, content and customer satisfaction from the system.

In line with the Authority's Alternative Methods of Working initiative a project to further develop home and remote working capabilities whilst maintaining security arrangements for the Authority's databases.

Outline budgets for the above projects suggest a spend in year of approximately £265,000 against an agreed capital allocation of £280,000.